(a) whether Russia has proposed to have direct deals with India;

(b) if so, whether it is likely to result in increasing delieveries from India without corresponding supplies to India from Soviet Union;

(c) the estimated fiscal deficit under the circumstances and the steps the Government propose to take in the matter;

(d) whether the Government have proposed for revised Rupee-Rouble exchange rate to correct the deficit; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR):(a) India is closely watching the internal development in the USSR. It is clear that substantial powers are now vested with the Republics, including Russia. The Government intends to establish and strengthen direct relations with the Republics in accordance with the new constitutional structures emerging in the USSR.

(b) and (c). Trade between India and the Soviet Union is presently conducted in non-convertible rupees on a clearing and balanced basis in accordance with the annual trade protocols. Precise arrangement have not yet been worked out with the newly emerging Soviet Union and the Republics. However, the endeavour would be to ensure supplies of essential commodities to India on a balanced clearing basis as at present.

(d) and (e). Two rounds of inter-Governmental official level discussions have been held to discuss revision of the Rupee-Rouble exchange rate which is based on the November, 1978 protocol. The discussions have been inconclusive so far.

[*Translation*]

Declaration of Bhagalpur to Govindpur road as National Highway

4844. SHRI SURAJ MANDAL: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government of Bihar has requested to declare the Bhagalpur to Govindpur road which links Virpur with G.T. Road as National Highway; and

(b) if so, the reaction of Union Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) Yes, Sir.

(b) A decision about the declaration of new National Highways will be taken only after formulation ot the 8th Five Year Plan, keeping in view various factors, *viz.* recommendations made by the National Transport Policy Committee, fulfilment of prescribed criteria for new National Highway, *inter-se* priorities attached to each individual road on an all-India basis, proximity of other National Highways, availability of resources etc.

Loans to States from Financial Institutions

4845. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has made it obligatory for the State Governments to take its permission for taking loans from financial institutions for various plan projects where the rate of interest is more then 11.5 per cent;

(b) if so, the details of the projects of various State Governments for which pro-

posals for taking loans from different financial institutions at more than 11.5 per cent rate of interest are pending with the R.B.I. indicating the amount of loan sought in each case during the current financial year and the reasons therefor; and

(c) the time by which necessary permission is likely to be granted to the State Governments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) As per the instructions currently in vogue State Governments can, on merit of the case, extend guarantee, without the approval of Reserve Bank of India (RBI) on behalf of State bodies in respect of loans sanctioned by Life Insurance Corporation of India (LIC), Rural Electrification Corporation (REC), National Cooperative Development Corporation (NCDC), Housing & Urban Development Corporation (HUDCO), Housing Development & Finance Corporation (HDFC) & Unit Trust of India (UTI) etc. even if the rate of interest on such loans exceeds 11.50% per annum.

(b) and (c). Do not arise.

[*English*]

Separate Export Promotion Cells in States

4846. SHRI RABI RAY:
SHRI MUKUL BALAKRISHNA WASNIK:
SHRI ASHOK ANANDRAO DESHMUKH:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have directed the States to set up separate export promotion cells or directorates for attending to the problems of exporters;

(b) if so, the details thereof;

(c) whether the cell in his Ministry is also proposed to be strengthened to deal with special problems of exporters in individual States; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir. Various State Government have requested to set up separate export promotion cells or directorates in the State Secretariat to deal with the problems of exporters.

(b) According to replies received so far, the States of Orissa, Haryana, Punjab and Uttar Pradesh have created export promotion cells or directorates in the State Secretariat. Besides, export corporations have been set up by the States of Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab and Uttar Pradesh.

(c) and (d). Yes, Sir. An Additional Secretary assisted by a senior officer and staff is looking after the Centre-State interface in the Ministry

[*Translation*]

Setting up of Crafts Development Centres in Bareilly (U.P.)

4847. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of TEXTILES be pleased to state:

(a) whether a Crafts Development Centre is proposed to be set-up in Bareilly with the co-operation of Uttar Pradesh Export Corporation;

(b) if so, the details thereof;